

August 30, 2021



Proposal of Hyannis Air Service, Inc. dba Cape Air to provide Essential Air Service for:

Jonesboro, Arkansas

18x weekly to/from St. Louis, connecting with
DOT-OST-1997-2935



Today's Cape Air Fast Facts



Dan Wolf
Founder & CEO

Linda Markham
President

- Started scheduled airline service in 1989
- 101 aircraft in the fleet
- 38 cities served
- 740 employees
- Flying 500,000+ passengers per year
- Employee-owned and empowered workforce

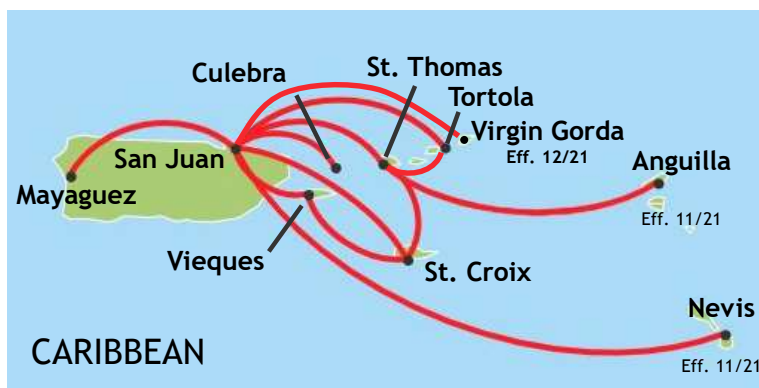
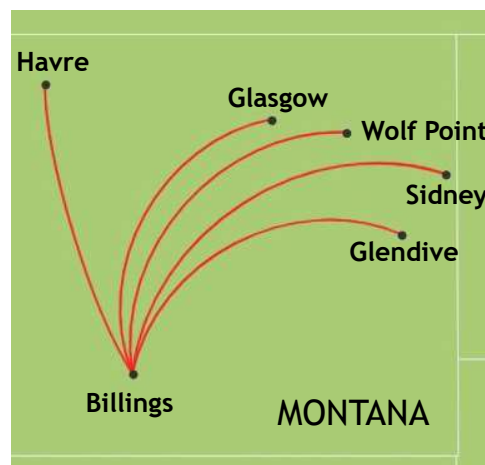


Cape Air continues to have a robust map

Service published as of Summer 2021



NORTHEAST



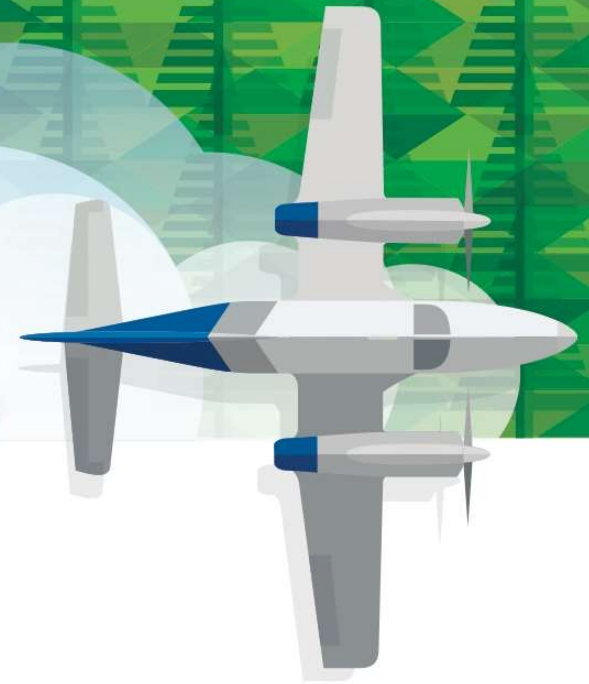
Cape Air

Maps not to scale

Featuring

World class distribution

- ✓ **Interline with all legacy airlines**
- ✓ Distribution through major online travel agencies
- ✓ Cape Air controls its own fares



Cape Air

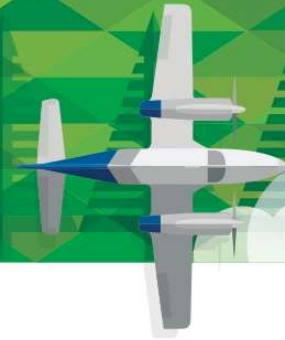
Cape Air is the only commuter airline to connect
with all the airlines listed below



Cape Air connects with:



Cape Air will put Jonesboro on American Airlines' website, aa.com



American Airlines



Depart Dallas/ Fort Worth, TX to Quincy, IL
Tuesday, May 18, 2021

Cape Air example to Quincy, IL

American Airlines flights may be listed first.

[Product comparison](#)

Lowest Fare	Flexible					
		<	Sun, May 16	Mon, May 17	Tue, May 18	>
			\$ 159	\$ 159	\$ 159	

Sort by: Relevance

Main Cabin

First

DFW UIN
9:30 AM → 2:53 PM 5h 23m [1 stop](#)

DFW - ORD AA 1408 321-Airbus A321



ORD - UIN AA 8349 T12-Tecnam P2012 Traveller



Operated by Hyannis Air Service As Cape Air

One way
\$ 159

One way
\$ 434
1 seat left

Cape Air

Connecting itineraries will also be available on [united.com](https://www.united.com)

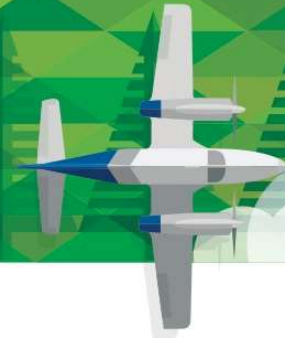


Cape Air example to Quincy, IL

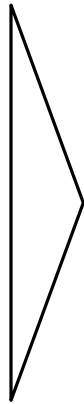
Sat 5/15	Sun 5/16	Mon 5/17	Tue 5/18	Wed 5/19	Thu 5/20	Fri 5/21
\$132	\$176	\$127	\$132	\$132	\$132	\$147
Flight Info Depart on May 18, 2021		Economy Free carry-on bags	Economy (fully refundable) Free carry-on bags	First (2-cabin) Check two bags free		
<div>1 STOP</div> <div>8:15 AM 2:53 PM</div> <div>DEN 5H, 38M UIN</div> <div>ORD — 1H, 32M</div> <div>Includes Travel Operated By Cape Air</div> <div>Details Seats</div>		\$142	\$599	\$236 3 tickets left at this price		
<div>1 STOP</div> <div>12:00 PM 6:45 PM</div> <div>DEN 5H, 45M UIN</div> <div>ORD — 1H, 39M</div> <div>Includes Travel Operated By Cape Air</div> <div>Details Seats</div>		\$132	\$599	\$335 2 tickets left at this price		
				Mixed cabin		



Cape Air participates in TSA's PreCheck program



TSA Pre✓™



With TSA Pre✓® you **don't** need to remove:



SHOES



LAPTOPS



3-1-1 LIQUIDS



BELTS



LIGHT JACKETS

Non-sterile at Jonesboro is fine!

Cape Air can fly Jonesboro to St. Louis non-sterile. Approximately 20% of Cape Air's flights are operated without TSA (ACK-HYA, HPN-MVY, LEB-HPN, STT-STX, etc.). If requested by Jonesboro, Cape Air could help the community seek TSA at Jonesboro. Either sterile or non-sterile would be fine and workable for Cape Air.



Cape Air includes a ramp-side inter-terminal shuttle for St. Louis, which will be used to transfer passengers to a non-sterile arrivals area



Cape Air's St. Louis inter-terminal shuttle

Shuttle connects already-screened Cape Air passengers between St. Louis's airline terminals

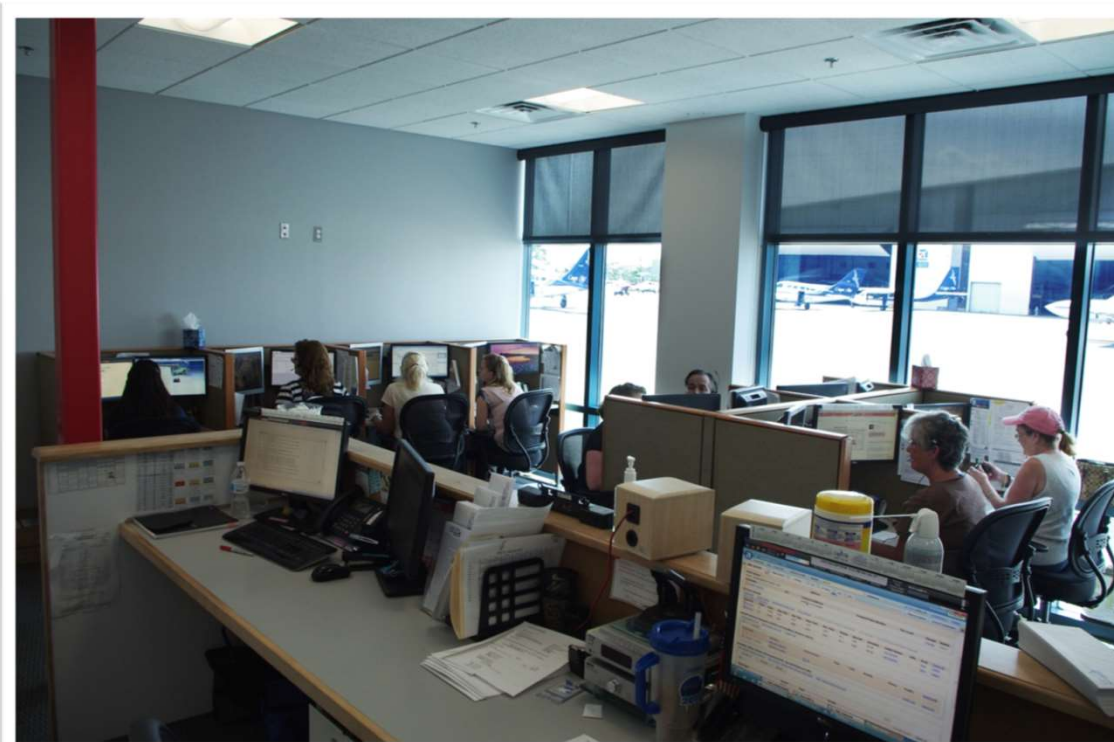
Passengers arriving at St. Louis from Jonesboro non-screened will take this shuttle to a non-sterile arrivals area



Reservations: 1-800-CAPE-AIR



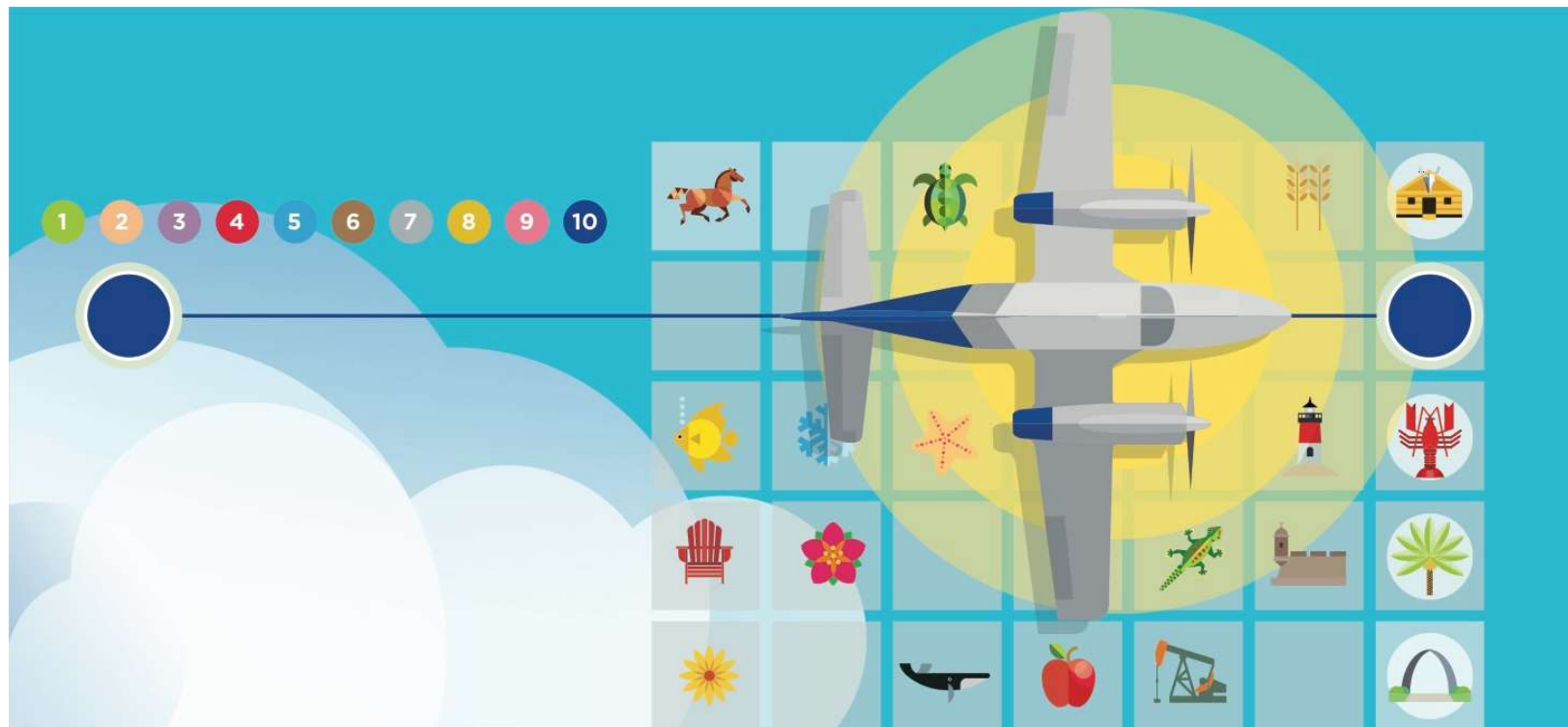
Cape Air Reservations Department



**No fee to speak
with a reservations
agent!**



TravelPass: Electronic 10-ticket discount program for frequent fliers



Commitment To Safety



Safety first

Core of our culture



Cape Air's #1 priority is the safety of our operation

- **Multi-engine aircraft**
- 30+ years experience
 - 100,000+ flights per year
- Safety audits annually by:
 - American Airlines
 - United Airlines
 - JetBlue Airways
- All captains have an Air Transport Pilot Certificate
 - 1,500 hours minimum
- Director of Safety
 - Department of 3 safety professionals
- WAAS-enabled GPS navigation

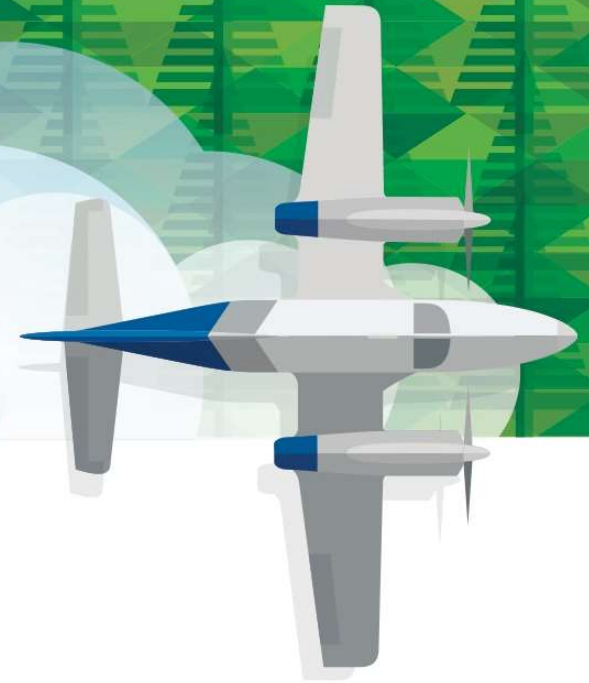
Safety mantra:
“Make the tough call in the
name of safety, and we will
support you”



Tecnam P2012 Traveller

Brand New Aircraft

The newest aircraft in the US fleet!



Cape Air

Cape Air proposes brand new Tecnam Travellers for Jonesboro's air service



Cape Air's Tecnam Traveller

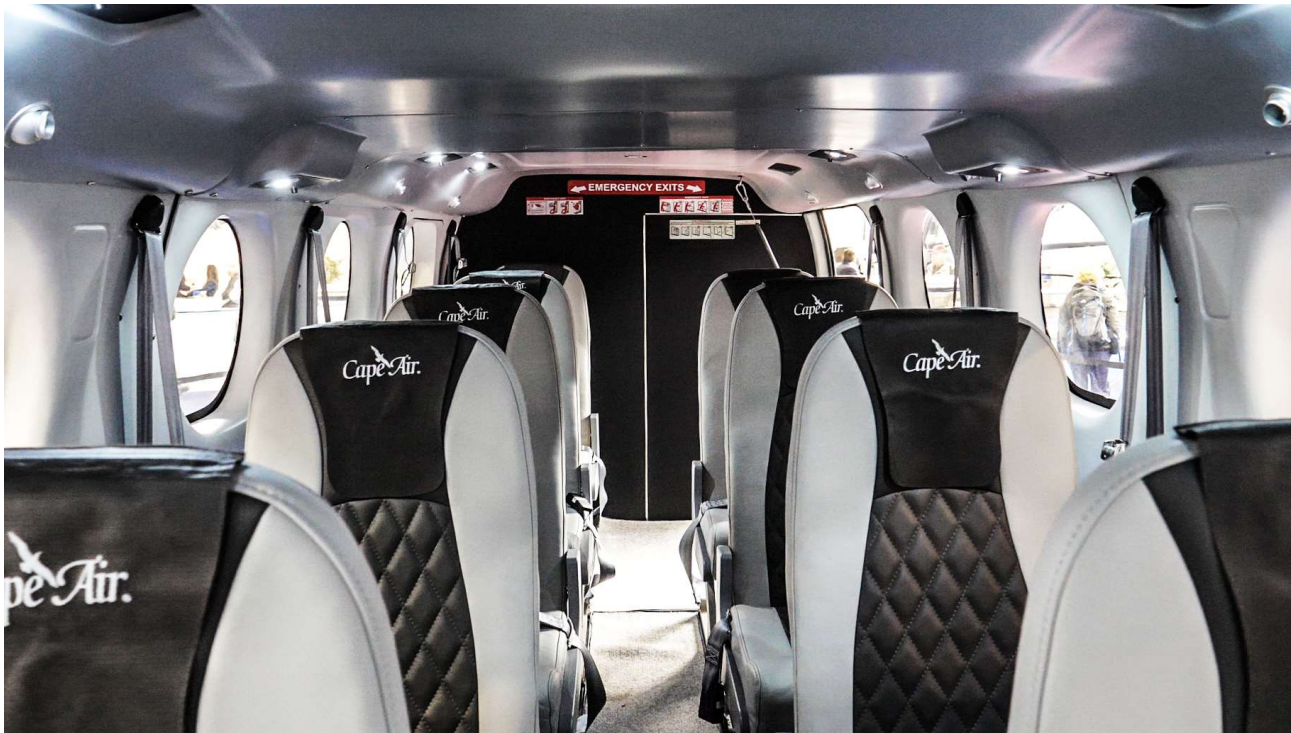


Tecnam Traveller Features

- **Two engines, for safety**
- 9 passenger seats
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports



The “Traveller” was custom designed by Cape Air and Tecnam for commuter air service



Highlights

- The first new purpose-designed commuter aircraft in 40 years
- Three decades of Cape Air's lessons learned built in
- Electronically controlled engines
- Roomy cabin with 9 single seats

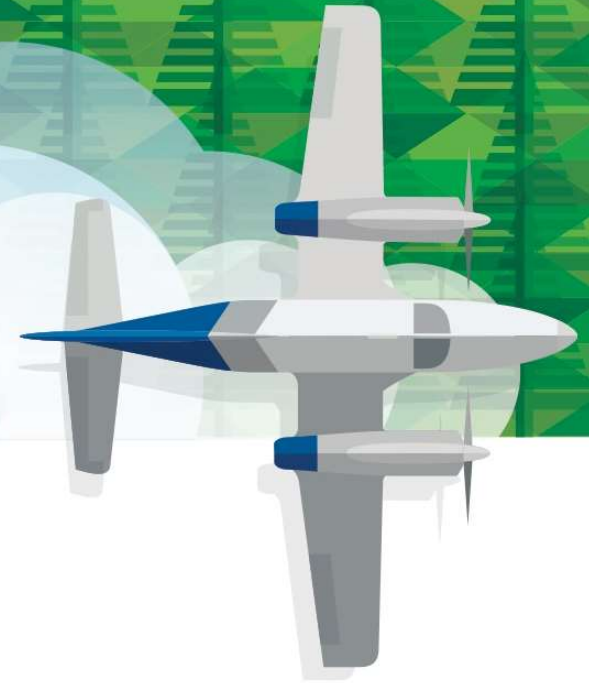


The cockpit features the Garmin G1000NXi integrated flight deck



Marketing

And Community Engagement



Cape Air's marketing department specializes in small community air service marketing and communicating Cape Air's many strengths



The marketing plan for Jonesboro includes:

- ✓ Advertising through traditional mediums: TV/radio/print/outdoor/streaming/social
- ✓ Support of community-sponsored events
- ✓ Partnerships with the Chamber of Commerce, local businesses, arts community, schools and universities
- ✓ Targeted SEM, SEO and digital using UGC to inspire travel and promotions
- ✓ \$60,000 annual budget



Cape Air has an in-house professional marketing and design team



Community Engagement



Giving back to the communities in which we live and work remains a priority.

Cape Air has proudly supported dozens of causes and organizations through charitable contributions, including the following in recent years:

- Boys and Girls Club
- Emergency Services
- Girls Inc.
- Teen Challenge
- Lions Club
- Food for Free
- Habitat for Humanity
- Junior Achievement
- Health Foundations
- Public Libraries
- Humane Societies
- Police Departments
- Youth First, Inc.
- Angel Flight
- Local School fundraisers
- Young Eagles



Cape Air believes in being a good neighbor and supporting the communities we serve.



The St. Louis Hub

18x weekly round trips to/from St. Louis



St. Louis can continue to be a great destination and connect point for Jonesboro



St. Louis skyline



St. Louis has non-stop service to 66 destinations



St. Louis Lambert cities served

Rank	Destination	Seats	Rank	Destination	Seats	Rank	Destination	Seats	Rank	Destination	Seats
1	Chicago, IL	347,041	18	Seattle, WA	81,995	35	Raleigh/Durham, NC	36,608	52	Jacksonville, FL	18,304
2	Atlanta, GA	279,416	19	Miami, FL	65,844	36	Austin, TX	34,034	53	Long Beach, CA	18,304
3	Denver, CO	226,218	20	Fort Lauderdale, FL	64,258	37	Little Rock, AR	34,034	54	Toronto, ON	17,508
4	Dallas/Ft. Worth, TX	218,420	21	Boston, MA	61,582	38	Milwaukee, WI	34,034	55	Oakland, CA	15,730
5	New York, NY	185,202	22	Baltimore, MD	59,008	39	Tulsa, OK	34,034	56	Myrtle Beach, SC	6,598
6	Orlando, FL	181,100	23	Kansas City, MO	55,858	40	Wichita, KS	34,034	57	Marion/Herrin, IL	5,922
7	Las Vegas, NV	158,928	24	Nashville, TN	52,338	41	Pensacola, FL	30,446	58	Fort Leonard Wood, MO	5,130
8	Charlotte, NC	155,736	25	Tampa, FL	49,002	42	San Francisco, CA	29,014	59	Kirkville, MO	4,968
9	Minneapolis/St. Paul, MN	154,747	26	Cancun, Mexico	44,100	43	Fort Myers, FL	28,480	60	Quincy, IL	4,500
10	Washington, DC	148,509	27	Newark, NJ	41,350	44	Panama City, FL	23,452	61	Punta Cana	4,092
11	Los Angeles, CA	115,844	28	Omaha, NE	40,128	45	Portland, OR	22,400	62	Charleston, SC	2,574
12	Phoenix, AZ	114,050	29	San Diego, CA	39,758	46	Pittsburgh, PA	21,824	63	Montego Bay, Jamaica	2,574
13	Detroit, MI	112,520	30	Cleveland, OH	37,554	47	Sacramento, CA	21,824	64	Owensboro, KY	1,656
14	Houston, TX	108,888	31	Des Moines, IA	37,554	48	San Jose, CA	21,824	65	Hilton Head, SC	1,500
15	Dallas, TX	108,772	32	Indianapolis, IN	37,554	49	San Antonio, TX	20,878	66	Jackson, TN	1,098
16	Philadelphia, PA	105,141	33	New Orleans, LA	37,554	50	Columbus, OH	18,304			
17	Salt Lake City, UT	88,174	34	Oklahoma City, OK	36,608	51	Hartford, CT	18,304			
										Total	4,224,737

Source: OAG 2H21



St. Louis Route Map 1H21



EAS Proposal



18x weekly to/from STL



Drivers

Drivers	STL
Daily RTs	2.6
Pax/Dpt	5.0
LF	62%
Fare (average net)	\$42
Pax Rev/Dpt	\$208
Annual Sched Dpts	1,877
Annual Pax	9,031

Note: See escalation factors subsequent slide

Expenses

Two-year term; discount for 4-year term, preferred, is noted below

Fuel	\$726,108
Maintenance	\$626,546
Pilots, Supplies & Training	\$419,442
Ownership	\$391,242
Rents	\$87,040
Staff	\$354,826
Landing Fees	\$70,701
Marketing	\$60,000
General & Admin./Other	\$67,973
Operating expense	\$2,803,878
Return of 5%	\$147,573
Economic Expense	\$2,951,451
Passenger Revenue	\$379,315
Profit	(\$2,572,136)

Proposed Subsidy	\$2,572,136
Per Departure	\$1,413

Discount for 4-year term	
Proposed Subsidy	\$2,517,736
Per Departure	\$1,383

4-year option
preferred

Year 1 Year 1

To align revenue with costs, Cape Air proposes annual escalation factors



Annual subsidy including escalation

Preferred

Escalation	
Year 1	\$2,572,136
Year 2	\$2,649,300
Year 1	\$2,517,736
Year 2	\$2,593,268
Year 3	\$2,671,066
Year 4	\$2,751,198

Thank you!



Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, SVP Planning
660 Barnstable Road, Hyannis, MA 02601
(508) 862-9719